

ST. ALBERT COMMUNITY FOUNDATION
Financial Statements
Year Ended December 31, 2017

ST. ALBERT COMMUNITY FOUNDATION
Index to Financial Statements
Year Ended December 31, 2017

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Changes in Net Assets	3
Statement of Revenues and Expenditures	4
Statement of Cash Flow	5
Notes to Financial Statements	6 - 12



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July 23, 2018
Edmonton, Alberta

INDEPENDENT AUDITOR'S REPORT

To the Directors of St. Albert Community Foundation

We have audited the accompanying financial statements of St. Albert Community Foundation, which comprise the statement of financial position as at December 31, 2017 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, St. Albert Community Foundation derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of St. Albert Community Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2017, current assets and net assets as at December 31, 2017.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of St. Albert Community Foundation as at December 31, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Kingston Ross Pasnak LLP

Kingston Ross Pasnak LLP
Chartered Professional Accountants

ST. ALBERT COMMUNITY FOUNDATION
Statement of Financial Position
December 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 65,220	\$ 82,169
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 6,972	\$ 6,972
NET ASSETS		
Restricted Fund	1,254	5,282
General Fund	56,994	69,915
	58,248	75,197
	\$ 65,220	\$ 82,169

ON BEHALF OF THE BOARD

_____ Director

_____ Director

ST. ALBERT COMMUNITY FOUNDATION
Statement of Changes in Net Assets
Year Ended December 31, 2017

	Restricted Fund	General Fund	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 5,282	\$ 69,915	\$ 75,197	\$ 68,077
(Deficiency) excess of revenue over expenses	(4,028)	(12,921)	(16,949)	7,120
NET ASSETS - END OF YEAR	\$ 1,254	\$ 56,994	\$ 58,248	\$ 75,197

ST. ALBERT COMMUNITY FOUNDATION
Statement of Revenues and Expenditures
Year Ended December 31, 2017

	Restricted 2017	General 2017	Total 2017	Total 2016
REVENUE				
Donations received <i>(Note 4)</i>	\$ 168,245	\$ 22,503	\$ 190,748	\$ 114,347
Golf tournament (net)	-	27,336	27,336	28,408
Book sales	-	190	190	-
Interest and dividends	-	120	120	156
	168,245	50,149	218,394	142,911
EXPENSES				
Donations made <i>(Note 5)</i>	172,273	6,863	179,136	96,816
Management contract fees	-	20,400	20,400	20,000
Office	-	17,500	17,500	3,992
Professional fees	-	7,088	7,088	6,993
Rental	-	6,937	6,937	5,096
Telephone	-	1,680	1,680	1,493
Advertising and promotion	-	1,660	1,660	-
Mileage	-	754	754	553
Meetings	-	188	188	848
	172,273	63,070	235,343	135,791
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	\$ (4,028)	\$ (12,921)	\$ (16,949)	\$ 7,120

ST. ALBERT COMMUNITY FOUNDATION
Statement of Cash Flow
Year Ended December 31, 2017

	2017	2016
OPERATING ACTIVITY		
(Deficiency) excess of revenue	\$ (16,949)	\$ 7,120
(DECREASE) INCREASE IN CASH FLOW	(16,949)	7,120
Cash and cash equivalents - beginning of year	82,169	75,049
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 65,220	\$ 82,169

ST. ALBERT COMMUNITY FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2017

1. PURPOSE OF THE FOUNDATION

St. Albert Community Foundation (the "Foundation") is a not-for-profit organization incorporated provincially under the Societies Act of Alberta. As a registered charity the Foundation is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). Significant accounting policies observed in the preparation of the financial statements are summarized below.

Financial instruments

All financial instruments are initially measured at fair value, and, unless otherwise noted, the Foundation subsequently measures its financial instruments at amortized cost.

The Foundation is exposed to risk due to the fluctuations in the market prices of equities and fixed income investments, interest and exchange rates and credit risk on fixed income investments. The risks associated with the Foundation's investments administered by the Edmonton Community Foundation are managed by that foundation's Asset Management Plan and Investment Policies and Guidelines. These policies outline the objectives to ensure that the Foundation's investments are managed effectively, prudently and in compliance with all applicable requirements. The plan, policies and the investment portfolio are reviewed on a regular basis. The policies prescribe an investment asset mix including a degree of liquidity and concentration of limit of foreign content and ratings of debt issuers.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit plus highly liquid short term investments, less cheques issued and outstanding. Highly liquid short term investments consist of Guaranteed Investment Certificates with maturities at the date of purchase of ninety days or less. Because of the short term maturity of these investments, their carrying amount approximates fair value.

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ST. ALBERT COMMUNITY FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

St. Albert Community Foundation follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund in the year which they are received or become receivable.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recognized on an accrual basis when earned.

Contributions received directly from endowment funds are administered by the Edmonton Community Foundation are recognized as revenue and also as expenditures when the donation is transferred to the Edmonton Community Foundation.

Golf tournament revenue is recognized when the event has taken place and collectability is reasonably assured.

Fund accounting

The General Fund accounts for the Foundation's program delivery and administrative activities. This fund reports unrestricted resources and operating grants.

The Restricted Fund reports only restricted resources that are to be used for the enhancement of life for those living in St. Albert and Edmonton area and to respond to community priorities and emerging community needs.

Contributed services

The operations of the Foundation depend on the contribution of time by volunteers. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Income taxes

The Foundation is a registered charity under the Income Tax Act, and therefore is not subject to either Federal or Provincial income tax.

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ST. ALBERT COMMUNITY FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Significant management estimates pertain to the collectability of pledges and accrual of specific expenses.

ST. ALBERT COMMUNITY FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2017

3. ENDOWMENT FUNDS ADMINISTERED BY THE EDMONTON COMMUNITY FOUNDATION

The St. Albert Community Foundation has entered into a series of agreements with donors and the Edmonton Community Foundation (ECF) by which the ECF has agreed to administer the following funds including any additional contributions received by the Foundation or the ECF. These funds are pooled with the assets of the ECF and may consist of money market funds, bonds and debentures, mortgage funds, real estate investment trusts, or domestic and foreign equities.

Under the terms of the agreements the endowment funds are characterized as permanent endowments and are recorded in the accounts of the ECF along with any income earned on the funds. Accordingly, the endowment assets and income are not recognized in the financial statements of the St. Albert Community Foundation. A portion of the income from the funds is paid to the Foundation in the form of grants on an annual basis for administration by the Directors of the Foundation in accordance with the objectives set out in the original donation agreements.

These endowment funds may be transferred back to the Foundation with the consent of the original donor.

	Fund Balances Dec 31, 2016	Income and Donations Received	Grants Distributed and Fund Expenses	Fund Balances Dec 31, 2017
Thatcher Neonatal Care Fund	\$ 394,797	\$ 39,899	\$ 18,705	\$ 415,991
Jamison Family Fund	184,296	29,143	8,769	204,670
St. Albert Community Fund	172,533	17,437	8,173	181,797
Bruce and Cindy McPherson Fund	-	100,617	18	100,599
St. Albert Youth Mental Health Fund	35,279	46,536	1,817	79,998
St. Albert Help Society Fund	67,560	6,829	3,200	71,189
Constable David Wynn Fund	41,856	4,231	1,982	44,105
Stanley Dennis Memorial Fund	34,670	3,504	1,644	36,530
Erin James Fund	-	36,464	118	36,346
St. Albert Space Camp Fund	28,619	2,892	1,356	30,155
Ron Hodgson Family Fund	27,823	2,811	1,319	29,315
Rouse Family Fund	20,000	7,246	959	26,287
Petter Family Fund	-	25,028	3	25,025
Shelemey Client Memorial Fund	21,408	2,164	1,014	22,558
Davidson Family Fund	10,329	6,051	490	15,890
Canadian Parents for French, Alberta Branch Fund	-	15,027	3	15,024
St. Albert Library Future Fund	12,676	1,789	600	13,865
St. Albert Youth Community Centre Fund	11,962	1,209	568	12,603
	\$ 1,063,808	\$ 348,877	\$ 50,738	\$ 1,361,947

ST. ALBERT COMMUNITY FOUNDATION
Notes to Financial Statements
Year Ended December 31, 2017

4. DONATIONS RECEIVED

	2017	2016
Edmonton Community Foundation Endowment Fund Grants	\$ 42,559	\$ 39,483
Others	37,174	7,334
Scott Petter	25,000	-
Canadian Parents for French, Alberta Branch	15,000	-
Canada Helps	14,888	1,051
Torode Realty	10,000	-
Kent Davidson	6,200	500
TD Bank	5,275	-
Neil Rouse	5,000	10,000
Duff Jamison	5,000	5,000
Dale Klein	3,000	3,000
City of St. Albert	2,513	15,316
Rotary Club of St. Albert	2,500	-
KDM Management	2,500	-
Roger Jackson	2,150	1,000
Peter Moore Consultants	1,700	-
United Way	1,677	882
Norbert Van Wyk	1,500	500
Gaffney McGreer & Rowland	1,500	-
Rob James	1,212	-
Bruce McPherson	1,200	25,000
Scott Mockford	1,200	-
Investors Group Financial Services	1,000	-
Norma Keating	1,000	-
Wallace Law	-	1,581
Nicole Poclinton	-	1,000
St. Albert Casino	-	1,000
Sturgeon Hospital Foundation	-	600
Stop Abuse in Families Society	-	600
Harley Benedict	-	500
	\$ 190,748	\$ 114,347

Included in the above are ten individuals who sit on the Board of Directors.

ST. ALBERT COMMUNITY FOUNDATION
Notes to Financial Statements
Year Ended December 31, 2017

5. GRANT ALLOCATIONS

	2017	2016
Transfers to Edmonton Community Foundation	\$ 136,601	\$ 57,416
Sturgeon Community Hospital Foundation	10,000	11,000
Royal Alexandra Hospital Foundation	6,000	5,000
St. Albert Family Resource Centre	4,000	-
St. Albert Stop Abuse in Families	3,900	6,500
KidSport St. Albert	3,145	2,500
STAR Literacy	3,000	3,000
Kids Help Phone	2,500	-
St. Vincent de Paul	2,000	-
St. Albert Public Schools	1,840	1,000
Rivers Edge Counselling	1,600	-
Plugged In	1,200	-
Bisell Centre	1,000	1,000
St. Albert Community Information and Volunteer Centre	1,000	400
St. Albert Catholic Board	840	-
St. Albert Library	510	-
St. Albert Seniors	-	3,000
Boys and Girls Club	-	2,500
YMCA	-	2,000
Amyotrophic Lateral Sclerosis Society of Alberta	-	1,500
	\$ 179,136	\$ 96,816

6. RELATED PARTY TRANSACTIONS

The following is a summary of the Foundation's related party transactions:

	2017	2016
J&D Reide Marketing Inc. (Owner is the Executive Director) Management contract fees	\$ 20,400	\$ 20,000

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the year, the Foundation received legal services from a Board member with no consideration paid.

ST. ALBERT COMMUNITY FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2017

7. FINANCIAL INSTRUMENTS

The Foundation is exposed to various risks through its financial instruments. The following analysis provides information about the Foundation's risk exposure and concentration as of December 31, 2017. Unless otherwise noted, the Foundation's risk exposure has not changed from the prior year.

(a) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure through its normal operating and financing activities. The Foundation is exposed to interest rate risk on its fixed-interest and variable financial instruments.